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DARBY & DARBY P.C.  
P.O. BOX 770  
Church Street Station  
New York, NY 10008-0770

EXAMINER
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ZURITA, JAMES H

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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*Ex parte* TIMO JUHANI KANGAS

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Appeal 2009-005739  
Application 10/088,926  
Technology Center 3600

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Decided: August 26, 2009

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*Before* HUBERT C. LORIN, JOSEPH A. FISCHETTI, and  
BIBHU R. MOHANTY, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL

## STATEMENT OF THE CASE

Timo Juhani Kangas (Appellant) seek our review under 35 U.S.C. § 134 of the final rejection of claims 1-13. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

## SUMMARY OF DECISION

We AFFIRM-IN-PART.<sup>1</sup>

## THE INVENTION

The invention is a method and an apparatus, which compensate a viewer of a piece of information such as an advertisement, in response to an indication that the user has accessed the piece of information. Specification 2:7-13.

Claim 1, reproduced below, is illustrative of the subject matter on appeal.

1. A method for distributing information or services through a computer or cellular network, comprising the steps of:
  - composing a piece of information or service to be distributed through the computer or cellular network;
  - compiling a list of intended recipients;
  - transmitting through the computer or cellular network a preliminary order for crediting accounts associated with the intended recipients;

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<sup>1</sup> Our decision will make reference to the Appellant's Appeal Brief ("App. Br.," filed May 11, 2007) and Reply Brief ("Reply Br.," filed Sep. 28, 2007), and the Examiner's Answer ("Ans.," mailed Jul. 31, 2007).

releasing said piece of information or service so that said piece of information or service becomes accessible to the recipients appearing on said list; and

as a response to an indication of a certain recipient having accessed said piece of information or service, crediting an account associated with said certain recipient.

### THE REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Goldhaber	US 5,794,210	Aug. 11, 1998
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The following rejections are before us for review:

1. Claims 1-6 and 8-12 are rejected under 35 U.S.C. §102(b) as being anticipated by Goldhaber.
2. Claims 7 and 13 are rejected under 35 U.S.C. §103(a) as being unpatentable over Goldhaber.

### ARGUMENTS

*The rejection of claims 1-6 and 8-12 under §102(b) as being anticipated by Goldhaber.*

The Appellant argues that Goldhaber does not describe the steps of transmitting a preliminary order for crediting accounts associated with intended recipients and, then, as a response to an indication of a certain recipient having access the information, crediting the account of the recipient. App. Br. 6-7 and Reply Br. 4-5. The Appellant argues that these limitations, recited in claim 1, require an escrow feature and states:

The requirement of a “preliminary order for crediting accounts” of intended recipients places the service providers’ payment (e.g. money into the hands of an account server (e.g., a third part)...The service provider’s payment is only made (“credited”) to the recipient “as a response to an indication of a certain recipient having accessed said piece of information or service.”

Reply Br. 3. The Appellant’s assert that Goldhaber does not describe the escrow feature but instead describes transactions that are complete before the information is accessible. Reply Br. 5.

The Examiner responds by asserting that Golhaber describes the claimed invention and cites to Figure 2 and the discussion in column 10, lines 9-38 for a description of the claimed step of transmitting a preliminary order for credit accounts. Ans. 7.

We note that the Appellant’s arguments are directed to the steps of the method of claim 1 and not to the elements of the apparatus of claim 8. The Appellant does not provide any separate arguments for independent claim 8.

*The rejection of claims 7 and 13 under §103(a), as being unpatentable over Goldhaber.*

*Claim 7*

The Appellant argues that the Examiner has failed to establish a prima facie showing of obviousness in rejecting claim 7, specifically a showing that the substeps of defining the time taken for receiving the indication and crediting the account by an inversely proportional amount are taught in the prior art or were within the knowledge of one of ordinary skill in the art.

App. Br. 7-10. In rejecting claim 7, the Examiner cites Goldhaber’s

description of “time sensitive incentives such as coupons” (Ans. 4) and states that it would be obvious to include the above substeps in Goldhaber for the reason that “the value of information is often greater when the information is first posted.” Ans. 4-5. The Examiner also cites Goldhaber’s description of information concerning a 1994 Explorer. Ans. 5. The Appellant provides two arguments opposing the Examiner’s rejection.

First, the Appellant traverses the Examiner’s finding that coupons described in Goldhaber are “time sensitive incentive.” App. Br. 8 and Reply Br. 6. The Appellant asserts that Goldhaber merely describes coupons. App. Br. 8. The Appellant argues that Golhaber’s description of coupons would not lead one of ordinary skill in the art to the substeps of claim 7 and that the Examiner is using hindsight in the rejection. App. Br. 8 and Reply Br. 6-7.

Second, the Appellant asserts that the Examiner has not properly taken Official Notice that “the value of information is often greater when the information is first posted” since the Examiner has not provided any evidence to support the Official Notice. App. Br. 8-9 and Reply Br. 6. Also, the Appellant refutes the Examiner’s assertion that the Appellant has not adequately challenged the Official Notice and therefore has admitted the Official Notice as prior art. Reply Br. 6. Finally, the Appellant assert that the value of some information is not always greater when the information is first posted, such as old movies and collectables. App. Br. 10.

In response, the Examiner continues to assert that the Appellant did not seasonably traverse the Examiner’s statement of what is old and well known. Ans. 8-9. Also, the Examiner asserts that Goldhaber discloses the user of coupons, which are time sensitive. Ans. 10.

*Claim 13*

The Appellant argues that the Examiner has failed to establish a prima facie showing of obviousness in rejecting claim 13, specifically a showing that the substeps of ranking the order in which the certain recipient provides the indication relative to other recipients and crediting the account of the certain recipient based on order ranking are taught in the prior art or were within the knowledge of one of ordinary skill in the art. App. Br. 10-13.

In rejecting claim 13, Examiner cites Goldhaber's description of information concerning a 1994 Explorer and states that "it is well known to reward early responders." Ans. 5. The Examiner concludes that it would have been obvious to include the above substeps in Goldhaber "for the obvious reason that the value of information is often greater when the information is first posted," which the Examiner asserts the Appellant admits. Ans. 5.

In response the Appellant refutes the Examiner's assertion that the Appellant has admitted that "it is well known to reward early responders." App. Br. 10. However, the Appellant also argues that even if it is well known to reward early responders, one of ordinary skill in the art would still not have been led to include the above substeps in Goldhaber. App. Br. 10-11.

The Examiner relies upon the same relied upon the same responses as for claim 7 above. Ans. 9-10.

## ISSUES

The issues are:

1. Does Goldhaber anticipate claim 1 by describing the steps of transmitting a preliminary order for crediting accounts associated with the intended recipient and, as a response to an indication of a certain recipient having accessed said piece of information or service, crediting an account associated with said certain recipient?
2. Would one of ordinary skill in the art have been led by Goldhaber to the method of claim 7 wherein the step of crediting an account comprises the substeps of defining the time taken for said indication to be received and crediting said account by an amount which is inversely proportional to said time?
3. Would one of ordinary skill in the art have been led by Goldhaber to the method of claim 13 wherein the step of crediting an account comprises the substeps of ranking the order in which said certain recipient provides the reception indication relative to other of said intended recipients and crediting said account associated with said certain recipient based on the order ranking?

## FINDINGS OF FACT

We find that the following enumerated findings of fact (FF) are supported by at least a preponderance of the evidence. *Ethicon, Inc. v.*

*Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Office).

*Claim construction*

1. Claim 1 recites a method including the steps of 1) transmitting through the computer or cellular network a preliminary order for crediting accounts associated with the intended recipients and 2) as a response to an indication of a certain recipient having accessed said piece of information or service, crediting an account associated with said certain recipient.
2. Claim 8 recites an apparatus including 1) means for transmitting to the means for maintaining accounts a preliminary order for crediting the accounts associated with certain subscribers and 2) means for responding to said indication by crediting an account associated with said certain recipient.
3. The Specification does not provide a definition for “preliminary order.”
4. The ordinary and customary meaning of “preliminary” is “something that precedes or is introductory or preparatory.” (*See Merriam-Webster’s Collegiate Dictionary* 919 (10<sup>th</sup> Ed. 1998.)(Entry for “preliminary.”)
5. The ordinary and customary meaning of “order” is “a commission to purchase, sell, or supply goods or to perform work.” (*See Merriam-Webster’s Collegiate Dictionary* 818 (10<sup>th</sup> Ed. 1998.)(Entry for “order.”)
6. Claim 7 recites a method “wherein the step of crediting an account comprises the substeps of: defining the time taken for said

indication to be received; and crediting said account by an amount which is inversely proportional to said time.”

7. Claim 13 recited a method “wherein the step of crediting an account comprises the substeps of: ranking the order in which said certain recipient provides the reception indication relative to other of said intended recipients; and crediting said account associated with said certain recipient based on the order ranking.”

*The scope and content of the prior art*

Goldhaber

8. Goldhaber describes a system for paying user to pay attention to advertisement or other “negatively priced” information distributed by a computer network. Abstract.
9. Goldhaber in column 10, lines 46-57 describe an embodiment for selling “negatively priced” information and states:

A virtual “price tag” 58 associated with information 56 indicates the amount the information provider will compensate a consumer to pay attention to the information 56. In this example, the consumer uses her computer 104 to read information 56 (and, in some embodiments, to interact with the information thereby evidencing that she has paid attention to it). In response to paying attention to the information 56, the information provider compensates the consumer by providing a payment 60 in the form of a digital case and/or a credit on the consumer’s account (as registered by financial clearinghouse 108, for example).

10. Goldhaber also describe an embodiment where a consumer pays for information, such as ads for automobiles (Col. 19, ll. 41-67), including for a 1994 Explorer (Fig. 14).
11. Goldhaber describes coupons, including coupons limited to purchases of particular products (Col. 11, ll. 28-31), but not coupons that are time sensitive. Col. 10, ll. 62-63.

*Any differences between the claimed subject matter and the prior art*

12. Goldhaber does not describe the steps of 1) defining the time taken for said indication to be received and 2) crediting said account by an amount which is inversely proportional to said time.
13. Goldhaber does not describe the steps of 1) ranking the order in which said certain recipient provides the reception indication relative to other of said intended recipients and 2) crediting said account associated with said certain recipient based on the order ranking.

*The level of skill in the art*

14. Neither the Examiner nor the Appellant has addressed the level of ordinary skill in the pertinent art of computer and telecommunication networks. We will therefore consider the cited prior art as representative of the level of ordinary skill in the art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (“[T]he absence of specific findings on the level of skill in the art does not give rise to reversible error ‘where the prior art itself reflects an appropriate level and a need for testimony is not shown’”) (Quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985)).

*Secondary considerations*

15. There is no evidence on record of secondary considerations of non-obviousness for our consideration.

PRINCIPLES OF LAW

*Claim Construction*

During examination of a patent application, a pending claim is given the broadest reasonable construction consistent with the specification and should be read in light of the specification as it would be interpreted by one of ordinary skill in the art. *In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004).

[W]e look to the specification to see if it provides a definition for claim terms, but otherwise apply a broad interpretation. As this court has discussed, this methodology produces claims with only justifiable breadth. *In re Yamamoto*, 740 F.2d 1569, 1571 (Fed. Cir. 1984). Further, as applicants may amend claims to narrow their scope, a broad construction during prosecution creates no unfairness to the applicant or patentee. *Am. Acad.*, 367 F.3d at 1364.

*In re ICON Health and Fitness, Inc.*, 496 F.3d 1374, 1379 (Fed. Cir. 2007). Limitations appearing in the specification but not recited in the claim are not read into the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369 (Fed. Cir. 2003).

*Anticipation*

“A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior

art reference.” *Verdegaal Bros., Inc. v. Union Oil Co. of Cal.*, 814 F.2d 628, 631 (Fed. Cir. 1987).

*Obviousness*

Section 103 forbids issuance of a patent when ‘the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

*KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, and (3) the level of skill in the art. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). *See also KSR*, 550 U.S. at 407 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”) The Court in *Graham* further noted that evidence of secondary considerations “might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented.” *Graham*, 383 U.S. at 17-18.

ANALYSIS

*The rejection of claims 1-6 and 8-12 under §102(b) as being anticipated by Goldhaber.*

The Appellant argued claims 1-6 and 8-12 as a group. App. Br. 7. We select claim 1 as the representative claim for this group, and the

remaining claims 2-6 and 8-12 stand or fall with claim 1. 37 C.F.R. § 41.37(c)(1)(vii) (2007).

*Claims 1-6*

A determination that a claim is anticipated under 35 U.S.C. § 102(b) involves two analytical steps. First, the Board must interpret the claim language, where necessary. Because the PTO is entitled to give claims their broadest reasonable interpretation, our review of the Board's claim construction is limited to determining whether it was reasonable. *See In re Morris*, 127 F.3d 1048, 1055 (Fed. Cir. 1997). Secondly, the Board must compare the construed claim to a prior art reference and make factual findings that “each and every limitation is found either expressly or inherently in [that] single prior art reference.” *Celeritas Techs. Ltd. v. Rockwell Int'l Corp.*, 150 F.3d 1354, 1360 (Fed. Cir. 1998).” . *See also, In re Crish*, 393 F.3d 1253, 1256 (Fed. Cir. 2004).

First, we construe the transmitting step of claim 1. Claim 1 recites “transmitting through the computer or cellular network a preliminary order for crediting accounts associated with the intended recipients.” FF 1. We find that the broadest reasonable interpretation, in light of the specification, of a “preliminary order” is a commission to purchase, sell or supply good or to perform work that precedes or is introductory or preparatory. FF 3-5. We also find that claim 1 does not limit what the preliminary order precedes or is introductory or preparatory to.

Further, the Appellant seems to argue that claim 1 requires that the transmitting step be performed by the *service provider* and that the preliminary order is transmitted to *an account server*. Reply Br. 3. The Appellant asserts that this creates an “escrow feature.” *Id.* However, claim 1

does not recite that a service provider transmits the preliminary order or that an account server receives the preliminary order. “Many of appellant’s arguments fail from the outset because, . . . they are not based on limitations appearing in the claims . . . .” *In re Self*, 671 F.2d 1344, 1348 (CCPA 1982). Claim 1 is silent as to who performs the transmitting step and who receives the transmitted preliminary order. FF 1.

Second, we find that Goldhaber disclosure of a “virtual price tag” (FF 9) reads on the claimed “preliminary order” as we have construed the limitation above. The virtual price tag is a commission to sell and is used to credit the account associated with the intended recipient. The virtual price tag is transmitted to the consumer prior to the consumer accessing the information and prior to the crediting of the consumers account. FF 9. Therefore, we find that Goldhaber describes the transmitting step of claim 1.

Second, we turn to the crediting step of claim 1. Claim 1 recites “as a response to an indication of a certain recipient having accessed said piece of information or service, crediting an account associated with said certain recipient.” FF 1. The Appellant seems to argue that claim 1 requires the *preliminary order* to be credited to the certain recipient’s account. Reply Br. 3. However, claim 1 does not link the step of crediting an account to the step of transmitting the preliminary order. FF 1. Again, the Appellant’s argument is not based on limitations appearing in the claims. Claim 1 is silent as to whether or not it is preliminary order that is credited in this step. FF 1.

We find that Goldhaber description of providing a payment in the form of a credit to the consumer’s account in response to the customer interacting with the information (FF 9) reads on the claimed crediting step.

Accordingly, we find that the Appellant has not shown that the Examiner erred in rejecting claim 1, and claims 5-6 dependent thereon, under §102(b) as being anticipated by Goldhaber.

*Claims 8-12*

Unlike claim 1, claim 8 recites an apparatus which includes “means for transmitting to the means for maintaining account a preliminary order for crediting the accounts associated with the certain subscribers” and “means for responding to said indication by crediting an account associated with said certain recipient.” FF 2. However, the Appellant’s arguments are drawn to the step recited in claim 1 and, as discussed above, we found those arguments unpersuasive. Further, we note that the Appellant does not provide separate arguments related to the elements of claim 8, and does not argue that Goldhaber fails to describe the structure or equivalents corresponding to the means above.

Accordingly, we find that the Appellant has not shown that the Examiner erred in rejecting claim 8, and claims 9-12 dependent thereon, under §102(b) as being anticipated by Goldhaber.

*The rejection of claims 7 and 13 under §103(a) as being unpatentable over Goldhaber.*

*Claim 7*

Claim 7 recites a method where in the step of crediting an account comprises defining the time taken for said indication to be received and crediting said account by an amount which is inversely proportional to said time. FF 6. The Examiner admits that Goldhaber does not teach these substeps (Ans. 4) but cites Goldhaber’s disclosure of time-sensitive

incentives such as coupons (Ans. 4) and of selling information related to a 1994 Explorer. Ans. 5. The Examiner concludes that it would have been obvious to include these substeps in Goldhaber for “the obvious reason that the value of information is often greater when the information is first posted.” App. Br. 5.

The Supreme Court emphasized that “the principles laid down in *Graham* reaffirmed the ‘functional approach’ of *Hotchkiss*, [52 U.S. 248].” *Id.* (citing *Graham*, 383 U.S. at 12 (emphasis added)), and reaffirmed principles based on its precedent that “[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *KSR*, 550 U.S. at 1739. The operative question in this “functional approach” is “whether the improvement is more than the predictable use of prior art elements according to their established functions.” *KSR*, 550 U.S. at 415.

First, we find that while Goldhaber does describe coupons, Goldhaber does not describe that the coupons are “time-sensitive” as asserted by the Examiner. FF 11.

Next, given Goldhaber’s description of a consumer buying an ad for a 1994 Explorer (FF 11) and actual description of using coupons to credit an account (FF 10), and even assuming that it is common knowledge that “the value information is often greater when the information is first posted,” we find that one of ordinary skill in the art would not have been led to the substeps of crediting an account by an amount inversely proportional to the time taken for receiving the indication. The Examiner’s finding of facts are directed to a broader scope than recited by the substeps of claim 7. Neither Goldhaber nor the asserted common knowledge teaches crediting an account

by an amount inversely proportional to the time taken. The claimed improvement is more than the predictable use of the Examiner's cited prior art elements according to their established functions.

The Examiner has not established a prima face showing that one of ordinary skill in the art would have been led by Goldhaber to the step of crediting an account which comprises the substeps of defining the time taken for said indication to be received and crediting said account by an amount which is inversely proportional to said time. Accordingly, we find that the Appellant has shown that the Examiner erred in rejecting claim 7 under §103(a) as being unpatentable over Goldhaber.

*Claim 13*

Claim 13 recites a method where in the step of crediting an account comprises ranking the order in which said certain recipient provides the reception indication relative to other of said intended recipients and crediting said account associated with said certain recipient based on the order ranking. FF 7. In rejecting claim 13, the Examiner relies upon an assertion that "it is well known to reward early responders" and Goldhaber's description of a consumer buying an ad for a 1994 Explorer, to conclude that it would have been obvious to one having ordinary skill in the art to include the substeps recited in claim 13 in Goldhaber "for the obvious reason that value of information is often greater when the information is first posted." Ans. 5.

For the same reasons as above, we find that given Goldhaber's description of a consumer buying an ad for a 1994 Explorer, and even assuming that it is common knowledge that "to reward early responders,"

one of ordinary skill in the art would not have been led to the substeps of crediting an account based on a order ranking of when certain recipients provided the reception indication relative to other recipients. Again, the Examiner's finding of fact directed to a broader scope then recited by the substeps of claim 7. The claimed improvement is more than the predictable use of the Examiner's cited prior art elements according to their established functions.

The Examiner has not established a prima face case showing that one of ordinary skill in the art would have been led by Goldhaber to the step of crediting an account which comprises the substeps of ranking the order in which said certain recipient provides the reception indication relative to other of said intended recipients and crediting said account associated with said certain recipient based on the order ranking. Accordingly, we find that the Appellant has shown that the Examiner erred in rejecting claim 13 under §103(a) as being unpatentable over Goldhaber.

#### CONCLUSIONS OF LAW

We conclude that the Appellant has not shown that the Examiner erred in rejecting claims 1-6 and 8-12 under 35 U.S.C. §102(b) as anticipated by Goldhaber.

We conclude that the Appellant has shown that the Examiner erred in rejecting claims 7 and 13 under 35 U.S.C. §103(a) as unpatentable over Goldhaber.

Appeal 2009-005739  
Application 10/088,926

### DECISION

The decision of the Examiner to reject claims 1-6 and 8-12 is affirmed and to reject claims 7 and 13 is reversed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2007).

### AFFIRMED-IN-PART

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DARBY & DARBY P.C.  
P.O. BOX 770  
Church Street Station  
New York NY 10008-0770